



April 29, 2019

Via Electronic Comment Filing System

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
236 Massachusetts Ave., NE
Washington, DC 20002

Re: 2018 Quadrennial Regulatory Review—Review of the Commission’s Broadcast
Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the
Telecommunications Act of 1996
MB Docket No. 18-349

Dear Ms. Dortch:

Curtis Media Group, Inc. (“Curtis Media”) is filing these comments in response to the Commission’s *Notice of Proposed Rulemaking* (the “Notice”) in the 2018 Quadrennial Regulatory Review proceeding.¹

Curtis Media, through its affiliated companies, owns and operates 33 AM and FM radio stations across North Carolina, as well as over 30 FM translators. Curtis Media was founded in 1968 and provides a diverse variety of programming and public interest services to its stations’ listeners and their communities. Curtis Media is committed to public interest programming and localism and has been honored with numerous awards for distinguished programming and community services.²

¹ See *2018 Quadrennial Regulatory Review—Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, MB Docket No. 18-349, FCC 18-179 (the “Notice”) (rel. Dec. 13, 2018).

² For more information about Curtis Media, please see our website. *About Curtis Media Group* (last visited Apr. 25, 2019), <http://curtismedia.com/about-cmg/>.

Curtis Media appreciates the Commission's recent undertaking to review the audio programming marketplace.³ In particular, Curtis Media appreciates the Commission's recognition in the Notice that the media marketplace has undergone dramatic changes in recent years⁴ and the Commission's recent efforts to help revitalize the AM service.⁵

Curtis Media welcomes the opportunity to provide these comments in connection with the Commission's reexamination of the Local Radio Ownership Rule.⁶

As set forth below, Curtis Media urges the Commission to (1) exclude AM radio stations from the ownership limits of the Local Radio Ownership Rule, and (2) re-adopt the contour-overlap methodology for purposes of determining compliance with the Local Radio Ownership Rule FM limits.

I. The Commission Should Eliminate the AM Station Ownership Limits

In the Notice, the Commission seeks comment on multiple approaches to determining the appropriate radio ownership limits, including various tiered approaches, alternate marketplace definitions, and variations on numerical limits.⁷ Regardless whatever approach the Commission adopts, however, Curtis Media urges the Commission to eliminate limits on AM station ownership.

As others have noted, the audio marketplace has dramatically changed in recent years such that radio stations now face significant competition for listeners and advertisers from a variety of programming sources and advertising platforms, including internet radio platforms such as Pandora and Deezer, interactive streaming services such as Spotify, Apple Music, and TIDAL, Sirius XM satellite radio, podcasts, and targeted digital advertising platforms such as Facebook, Google, and YouTube. Curtis Media experiences this new competitive landscape firsthand every day at each of its North Carolina radio stations.

This new audio marketplace creates unique challenges and pressures on broadcast operations which disproportionately impact smaller stations—in particular AM stations—who face declining revenues that threaten their financial viability to serve their communities. Indeed, not only do small stations have to compete against new digital audio programming sources and advertising platforms, but small stations also have to compete against larger broadcast stations,

³ See *Media Bureau Seeks Comment on the Status of Competition in the Marketplace for Delivery of Audio Programming*, MB Docket No. 18-227, DA 18-761 (July 23, 2018). Many of the comments and letters received in that proceeding were incorporated in the Notice and, therefore, into this proceeding. See, e.g., *Notice* ¶ 20 nn.81–86.

⁴ *Notice*, ¶¶ 1–2, 9.

⁵ See generally *In re Revitalization of the AM Radio Service*, First Report and Order, Further Notice of Proposed Rule Making, and Notice of Inquiry, MB Docket No. 13-249, FCC 15-142 (rel. Oct. 23, 2015); *In re Revitalization of the AM Radio Service*, Second Report and Order, MB Docket No. 13-249, FCC 17-14 (rel. Feb. 24, 2017); *In re Revitalization of the AM Radio Service*, Third Report and Order, MB Docket No. 13-249, FCC 17-119 (rel. Sept. 25, 2017).

⁶ 47 CFR § 73.3555(a).

⁷ *Notice*, ¶¶ 23–29.

including stations from larger metro markets. For example, Curtis Media's station WGBR(AM), which is a local community AM radio station serving Goldsboro, NC, and not located in any Nielsen Audio market, has to compete under the shadow of large Class C FM stations from the Raleigh metro.

The Commission, in its AM revitalization proceeding, has already recognized and made efforts to address the unique challenges that face AM stations. Curtis Media submits that the Commission should remove one more hurdle by eliminating the AM ownership cap from the Local Radio Ownership Rule.

As commenters have recognized, AM operators must innovate to stay relevant in today's competitive environment.⁸ But innovation takes investment, resources, and the maximization of operational efficiencies.

Elimination of the AM ownership cap would promote investment in AM radio and increase efficiencies and economies of scale. This, in turn, would allow AM stations to expand programming diversity, including enhanced local programming and community engagement, so that AM stations can better compete for listeners and advertisers and serve the public interest in today's transformed audio programming marketplace.

Accordingly, Curtis Media urges the Commission to remove the AM ownership limits from the Local Radio Ownership Rule.

II. The Commission Should Return to Using the Contour-Overlap Methodology to Define Radio Markets When Applying FM Ownership Limits

While changes in the marketplace and competition from new audio programming sources are impacting both AM and FM stations, at this time Curtis Media supports the retention of ownership limits for FM stations. As applied only to FM stations, Curtis Media generally supports the Local Radio Ownership Rule's current market size tiers and ownership limits, with the exception that the subcaps should be eliminated. For example, in the largest markets common ownership of up to 8 FM stations should be permissible.

Curtis Media, however, does have concerns regarding how markets are defined for purposes of applying FM ownership limits across the varying signal strengths of stations. In the Notice, the Commission appropriately raises this issue by suggesting that different classes of radio stations could be weighed differently for purposes of the ownership limits.⁹

While Curtis Media generally supports changing the market definition methodology to account for the different signal strengths of radio stations, Curtis Media submits that the best

⁸ See, e.g., Gene Ely, *Radio's Big Challenge: Finding Its Way Forward In This New Digital World* (Mar. 30, 2018 4:48 PM), <https://www.forbes.com/sites/geneely/2018/03/30/radios-big-challenge-finding-its-way-forward-in-this-new-digital-world/#231d3dd85a26> (urging radio operators to "understand they have assets and tools to leverage themselves into a much broader business").

⁹ See Notice ¶¶ 28–29.

mechanism to do so is the contour-overlap methodology, which the Commission previously employed before adopting the current Nielsen Audio market definition in 2003 (and which the Commission continues to use for stations whose communities of license are not located in any Nielsen Audio market).¹⁰

Unlike the contour-overlap methodology, the current Nielsen Audio methodology fails to account for the fact that some stations only serve minimal portions of the Nielsen Audio market—this is particularly the case with small Class A FM stations.

For example, as shown on the map in Exhibit A and in the table below, in the Raleigh-Durham Nielsen Audio market, of the seven Class A FM stations in the market, none of their principal community contours serve more than 34 percent of the population in the market, and one does not even serve 1 percent of the market population:

Call Sign	Class	Frequency	Population In Market Covered By Station Principal Community Contour	Percent of Market Population Covered By Station Principal Community Contour
WRSV	A	92.1	3,235	0%
WVRD	A	90.5	20,177	1%
WXDU	A	88.7	33,932	2%
WXYC	A	89.3	71,114	4%
WKJO	A	102.3	110,781	7%
WPLW	A	102.5	200,847	13%
WKIX-FM	A	102.9	537,352	34%
<i>Source: Timothy L. Warner, Inc.; Market Population = 1,595,346 (2010 Census)</i>				

Indeed the majority of all FM and AM stations in the Raleigh-Durham Nielsen Audio market serve less than 50 percent of the population in the market as shown in Exhibit B. And many of these stations serve a disproportionately small segment of the market population—11 stations in the Raleigh-Durham market serve less than 10 percent of the market population.

As shown in Exhibit C and Exhibit D, the Greenville-New Bern-Jacksonville Nielsen Audio market is similar where even more stations serve small segments of the market. In particular, one Class A FM station in the Greenville-New Bern-Jacksonville market, WNTB, does not even provide principal community contour service to any geographic portion of the market.

Moreover, given the large size of the Greenville-New Bern-Jacksonville Nielsen Audio market, even large FM stations do not serve significant portions of the market. For example, as shown in Exhibit D, Curtis Media's stations WMGV(FM) (Class C1) and WXNR(FM) (Class C2) respectively serve 31 percent and 15 percent of the market.

¹⁰ *In re 2002 Biennial Regulatory Review—Review of the Commission's Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Report and Order and Notice of Proposed Rulemaking, ¶¶ 274, 282–86 (rel. July 2, 2003).

While Curtis Media generally agrees that Nielsen Audio markets represent a reasonable geographic market delineation within which many radio stations compete, as the above examples demonstrate, all stations in a market do not necessarily provide service to the same—or even adjoining—areas of the market. As such, all stations in the market do not equally compete with each other.

Indeed, it is unreasonable to assume that a small Class A FM station that serves less than 10 percent of the market effectively competes with a large Class C FM station that covers the entire market—the large Class C FM station is a much stronger competitor in the market as a whole, while the small Class A FM station may be a stronger competitor in its particular community.

By completely failing to account for each station's actual signal reach and population service area, the Nielsen Audio methodology ignores the fact that stations in the same market are not necessarily equal competitors.

Curtis Media submits that the Local Radio Ownership Rule should not afford equal competitive weight to all stations in a market and that the rule should be revised to account for the different signal strengths.

While one option is to assign varying weights to different classes of radio stations when applying the Local Radio Ownership Rule limits (e.g., counting a smaller station as one half a station), the most effective and precise way to account for the above variations would be to return to the use of the contour-overlap methodology.

By defining the radio market as the area where principal community contours overlap, the contour-overlap methodology best reflects the universe of stations that compete head-to-head against each other for listeners and advertisers. By ignoring signal coverage, the Nielsen Audio methodology does not accurately reflect the reality of radio competition.

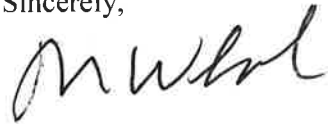
Accordingly, Curtis Media urges the Commission to readopt the contour-overlap methodology for defining all radio markets for purposes of the FM station ownership limits.¹¹

* * *

¹¹ While Curtis Media supports the elimination of the AM station ownership limits, AM stations should still be considered in determining the total number of stations in the market (i.e., the denominator) for purposes of the FM limits. Despite technical disparities, it is indisputable that AM stations compete with FM stations for listeners and advertisers. Thanks to the Commission's AM revitalization initiatives, AM stations are now on more solid footing, particularly with the ability to use FM translators. And it is Curtis Media's hope that the Commission will further revitalize and improve the viability of the AM service by eliminating all limits on AM station ownership entirely.

Curtis Media applauds the Commission's support of the radio industry and appreciates the Commission's consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "DW Curtis", written in a cursive style.

Donald W. Curtis
Chairman and CEO

Exhibit A **Raleigh-Durham Nielsen Audio Market**

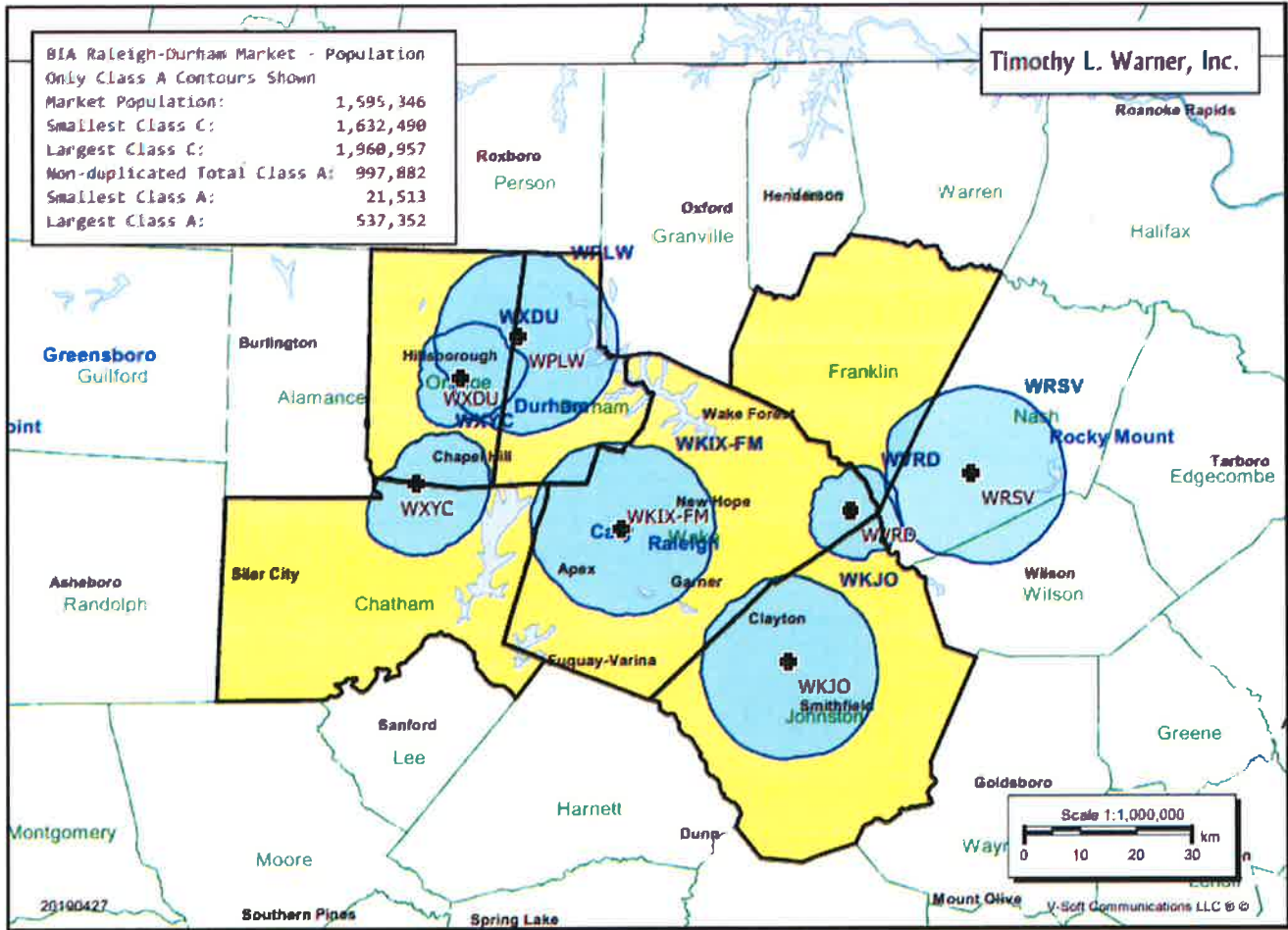


Exhibit B
Raleigh-Durham Nielsen Audio Market

Call Sign	Class	Frequency	Population In Market Covered By Station Principal Community Contour	Percent of Market Population Covered By Station Principal Community Contour
WRSV	A	92.1	3,235	0%
WYRN	D	1480	8,615	1%
WRTP	C2	88.5	10,545	1%
WVRD	A	90.5	20,177	1%
WNCA	B	1570	20,226	1%
WXDU	A	88.7	33,932	2%
WPYB	D	1130	53,262	3%
WXYC	A	89.3	71,114	4%
WMPM	D	1270	108,340	7%
WKJO	A	102.3	110,781	7%
WHPY	D	1590	118,181	7%
WWPL	C0	96.9	187,147	12%
WPLW	A	102.5	200,847	13%
WCLY	D	1550	203,329	13%
WFXK	C1	104.3	236,219	15%
WNCU	C2	90.7	245,406	15%
WTSB	D	1090	253,930	16%
WDUR	C	1490	275,717	17%
WRJD	B	1410	307,272	19%
WNNL	C3	103.9	322,206	20%
WRTG	D	1000	342,440	21%
WPJL	C	1240	344,525	22%
WCHL	B	1360	374,905	23%
WTIK	B	1310	375,269	24%
WLLQ	D	1530	391,986	25%
WAUG	D	750	475,037	30%
WKIX-FM	A	102.9	537,352	34%
WKNC-FM	C3	88.1	594,860	37%
WFXC	C3	107.1	604,711	38%
WETC	B	540	635,043	40%
WRKV	C2	88.9	709,639	44%
WDNC	D	620	746,570	47%
WDRU	D	1030	926,822	58%
WQDR	D	570	929,875	58%
WCMC-FM	C2	99.9	943,742	59%
WQOK	C2	97.5	1,030,843	65%
WRDU	C	100.7	1,131,772	71%
WPTK	B	850	1,224,213	77%
WTKK	C1	106.1	1,235,974	77%
WUNC	C	91.5	1,243,213	78%
WDCG	C1	105.1	1,443,407	90%
WCPE	C	89.7	1,447,869	91%
WBBB	C0	96.1	1,457,055	91%
WQDR-FM	C	94.7	1,514,217	95%
WNCB	C	93.9	1,526,213	96%
WRAL	C	101.5	1,528,290	96%
WPTF	B	680	1,558,175	98%
Source: Timothy L. Warner, Inc.; Market Population = 1,595,346 (2010 Census)				

Exhibit C **Greenville-New Bern-Jacksonville Nielsen Audio Market**

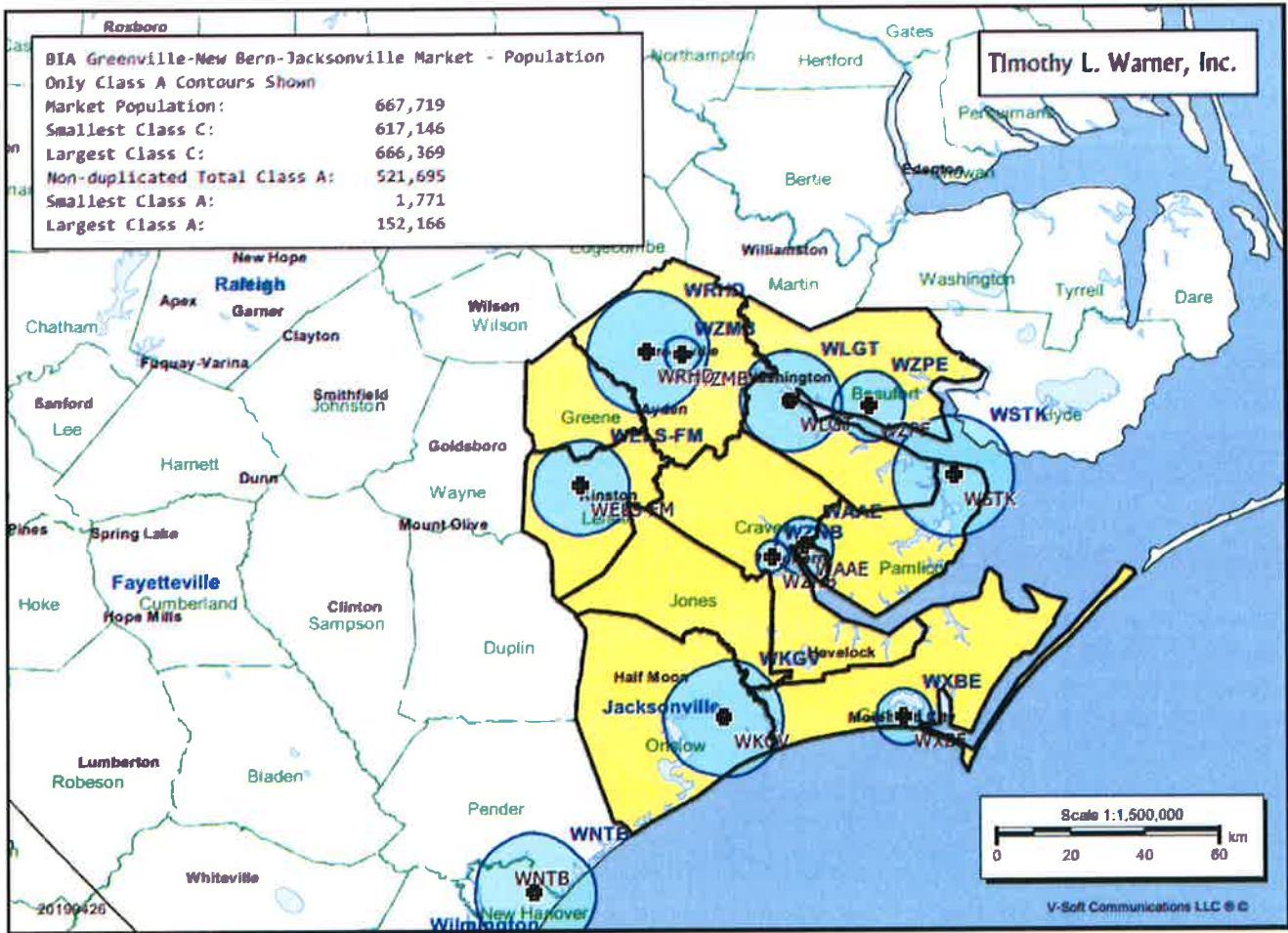


Exhibit D
Greenville-New Bern-Jacksonville Nielsen Audio Market

Call Sign	Class	Frequency	Population In Market Covered By Station Principal Community Contour	Percent of Market Population Covered By Station Principal Community Contour
WNTB	A	93.7	-	0%
WSTK	A	104.5	1,680	0%
WZPE	A	90.1	3,511	1%
WZGO	C2	91.1	9,430	1%
WXBE	A	88.3	19,171	3%
WAAE	A	91.9	23,123	3%
WZNB	A	88.5	25,138	4%
WJKA	C3	90.1	27,329	4%
WBNK	C2	92.7	31,482	5%
WLGT	A	98.3	31,690	5%
WTOW	D	1320	33,835	5%
WKNS	C2	90.3	35,183	5%
WELS-FM	A	102.9	45,319	7%
WLNR	C	1230	45,563	7%
WQZL	C2	101.1	53,344	8%
WWMC	D	1010	54,471	8%
WAGO	C3	88.7	56,113	8%
WZMB	A	91.3	57,320	9%
WTKF	C1	107.1	58,623	9%
WNOS	C	1450	58,922	9%
WGHB	B	1250	59,481	9%
WWNB	C	1490	59,670	9%
WNBU	C3	94.1	64,321	10%
WZUP	C2	104.7	65,911	10%
WLXB	C3	98.9	70,442	11%
WDLX	B	930	73,137	11%
WRNS	B	960	77,713	12%
WHAR	C3	105.1	83,528	13%
WBJD	C1	91.5	87,470	13%
WKGV	A	104.1	91,573	14%
WOTJ	C2	90.7	94,440	14%
WXNR	C2	99.5	101,201	15%
WOOW	C	1340	103,434	15%
WNBB	C2	97.9	114,179	17%
WTIB	C1	103.7	116,980	18%
WAVQ	C	1400	119,791	18%
WJNC	C	1240	124,929	19%
WTEB	C1	89.3	130,923	20%
WECU	B	1570	131,529	20%
WRHT	C1	96.3	135,382	20%
WRHD	A	94.3	138,118	21%
WQSL	C2	92.3	139,488	21%
WXQR-FM	C2	105.5	141,518	21%
WJCV	D	1290	151,803	23%
WSME	D	1120	163,673	25%
WLGP	C1	100.3	166,358	25%
WSRP	B	910	169,115	25%
WRMR	C1	98.7	187,659	28%
WMGV	C1	103.3	208,148	31%
WNCT	B	1070	213,797	32%
WSFL-FM	C1	106.5	360,287	54%
WIKS	C1	101.9	385,526	58%
WNCT-FM	C	107.9	420,016	63%
WERO	C	93.3	435,337	65%
WRNS-FM	C	95.1	573,904	86%

Source: Timothy L. Warner, Inc.; Market Population = 667,719 (2010 Census)